



**WELCOME**

# IRAN GRAINS CHALLENGES & OPPORTUNITIES

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## Introduction

Islamic Republic of Iran is the second largest economy in the Middle East and North Africa (MENA) region after Saudi Arabia, with an estimated Gross Domestic Product (GDP) in 2018 of US\$452.27 billion.

It also has the second largest population of the region after Egypt, with an estimated 83 million people in 2019.

Iran's economy is characterized by the hydrocarbon sector, agriculture and services sectors, and a noticeable state presence in manufacturing and financial services.

**Area: 1,648,195 km<sup>2</sup>**  
**Population: 83 million**  
**(more than 60% under 30 years old)**

# TRANSIT ADVANTAGES IN IRAN

Iran lies in transit corridors of north-south, so it can be a transit among Russia, Eastern, Central and Northern Europe, Middle East and Caucasus and in the other hand among South Asia, Far East, Oceania and Persian Gulf countries which makes Iran a unique privilege.

The short distance in corridor of north-south and availability of facilities and good infrastructural possibilities for transportation has made a lot of attractions for cargos transits through Iran.

To be in the geographical center of countries who are members of Organization for Economic Co-operation and Development, Eco, had made Iran as an important country for transit of imports/exports, also very active in making various contracts and memorandum of articles





A landscape of rolling hills covered in golden-brown grain fields under a clear sky. The foreground is dominated by a dense field of mature grain, likely wheat or barley, with stalks showing some darkening. The middle ground features several rounded hills, each covered in similar grain fields. In the background, more hills are visible, some with patches of green and brown trees. The sky is a pale, clear blue. The overall scene is peaceful and rural.

# **IRAN GRAINS CHALLENGES & OPPORTUNITIES**



# FACTS ABOUT IRAN GRAINS



The share of grains consumption is 21% for every Family.

32% of workshops with more than 10 employees are involved in grains processing.

19% of value added in food industry belongs to grains processing.

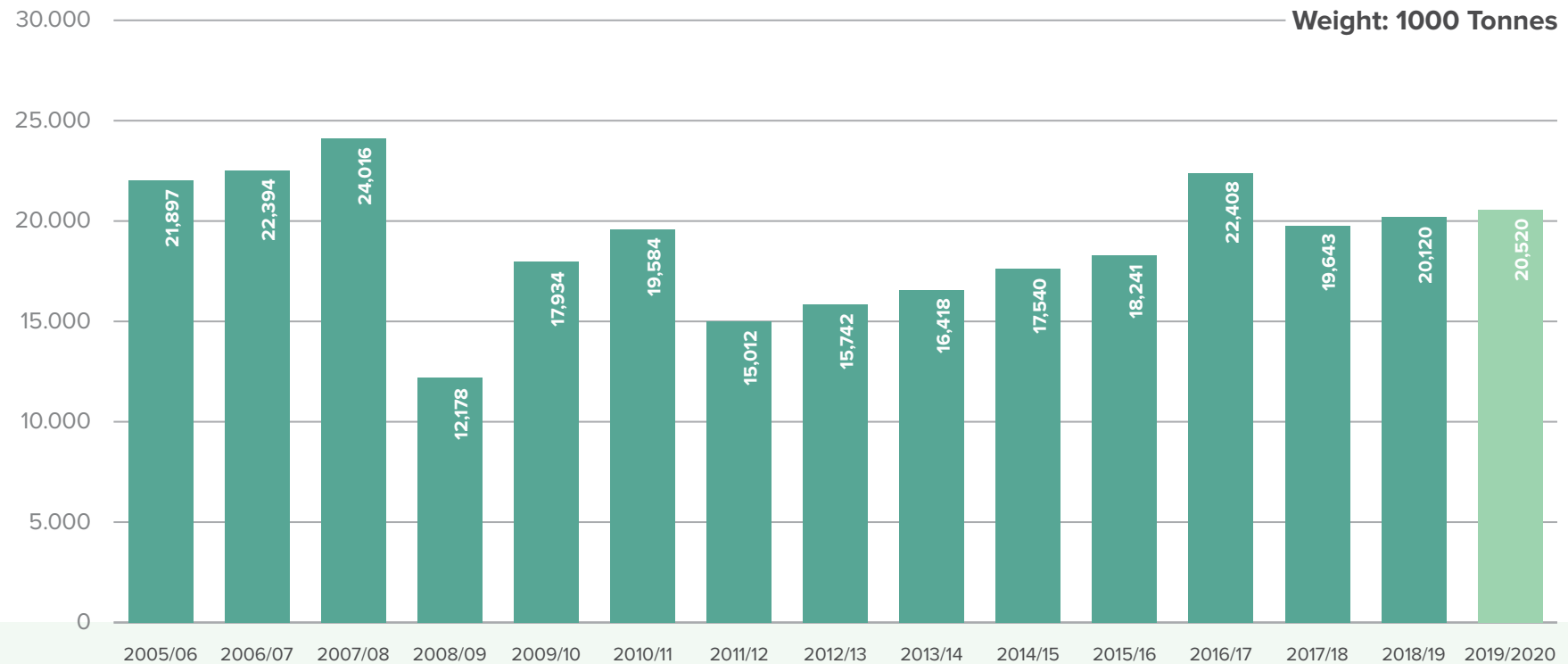
16.5% of food industry exports are grains products.



The grains plantation area has decreased from 8.98 million hectares to 7.65 million hectares during the past 10 years, a reduction of 15% .

Grains plantation is 7.65 million hectares of which 4.23 million hectares are done through irrigation and the rest by rain \_fed.

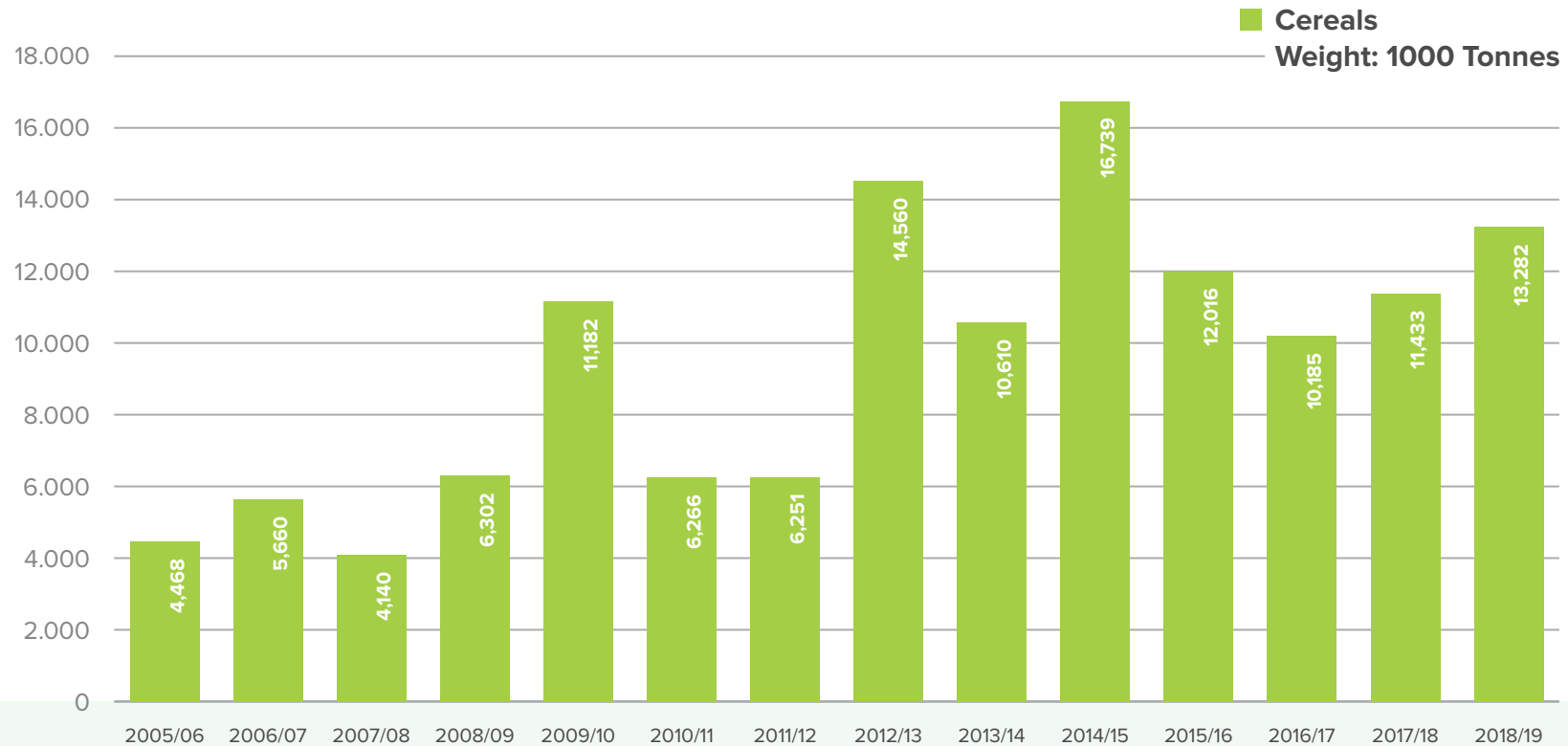
# GRAINS PRODUCTION IN IRAN



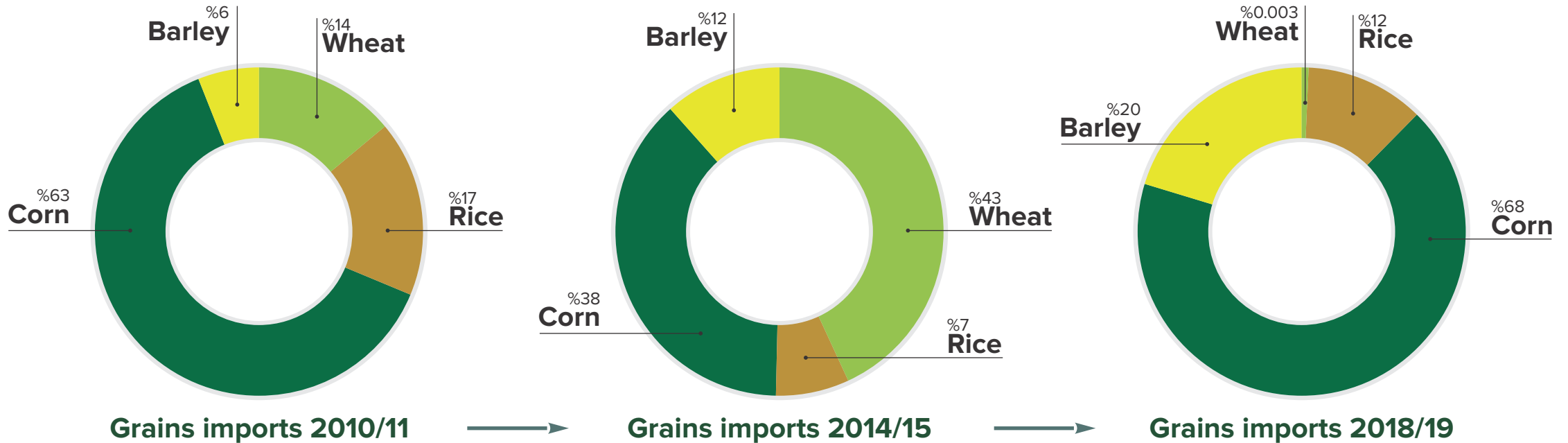


# GRAINS IMPORTS TO IRAN

Iran imported more than 13.2 million tonnes grains in 2018/19 (Mar/Feb), an increase of 16%.



# GRAINS IMPORTS TO IRAN



Iran imported 4.36 billion dollar grains in 2018

On average Iran imported 8 million tonnes grains during the past 10 years which corn with 49% and wheat 25% are the most imported ones.



## GRAINS INDEX

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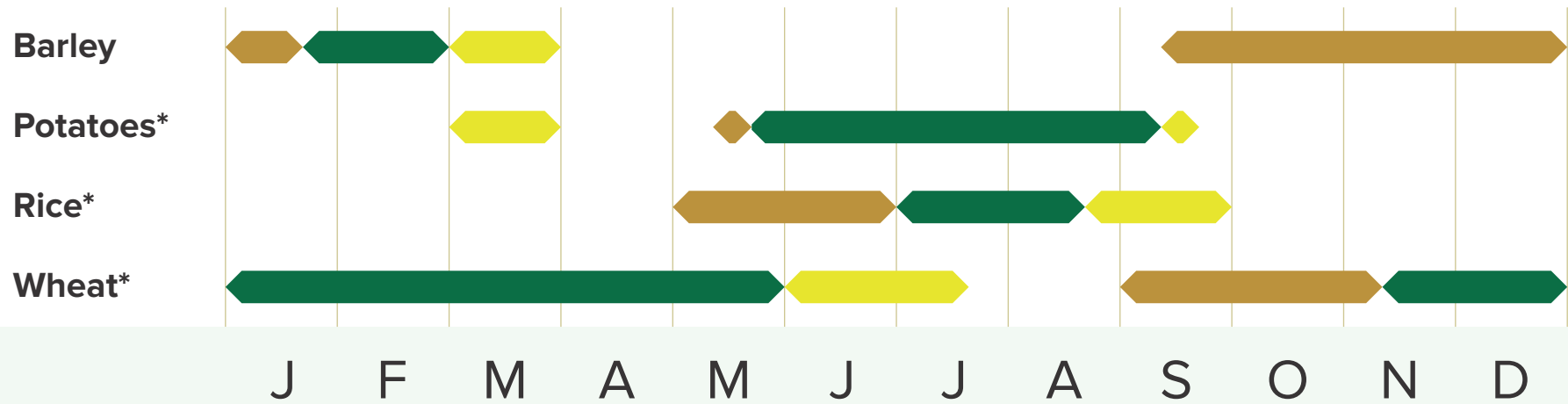
In Iran, grains prices indices are according to the supportive policies hold by the government towards the farmers and they usually increase with the domestic inflation.

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Grains imports to Iran are totally dependent on the local production which is based on climate conditions and the government policies.




# IRAN GRAINS \_CORP CALENDAR



Source: FAO/GIEWS





Bread (72%)  
Cakes  
Grains  
Macaroni / Noodles

# WHEAT



## WHEAT FACTS IN IRAN

- | On average, wheat provides 40 - 45% of the required calorie and 50% of the required protein for each individual.
- | Wheat per capita consumption is 170 kg in a year.
- | The most planted grains area belongs to wheat which is 5.4 million hectares.
- | In Iran wheat is an important product from cultural point of view and it is regarded blessing.
- | Bread is the main food portion of Iranian with no replacement.



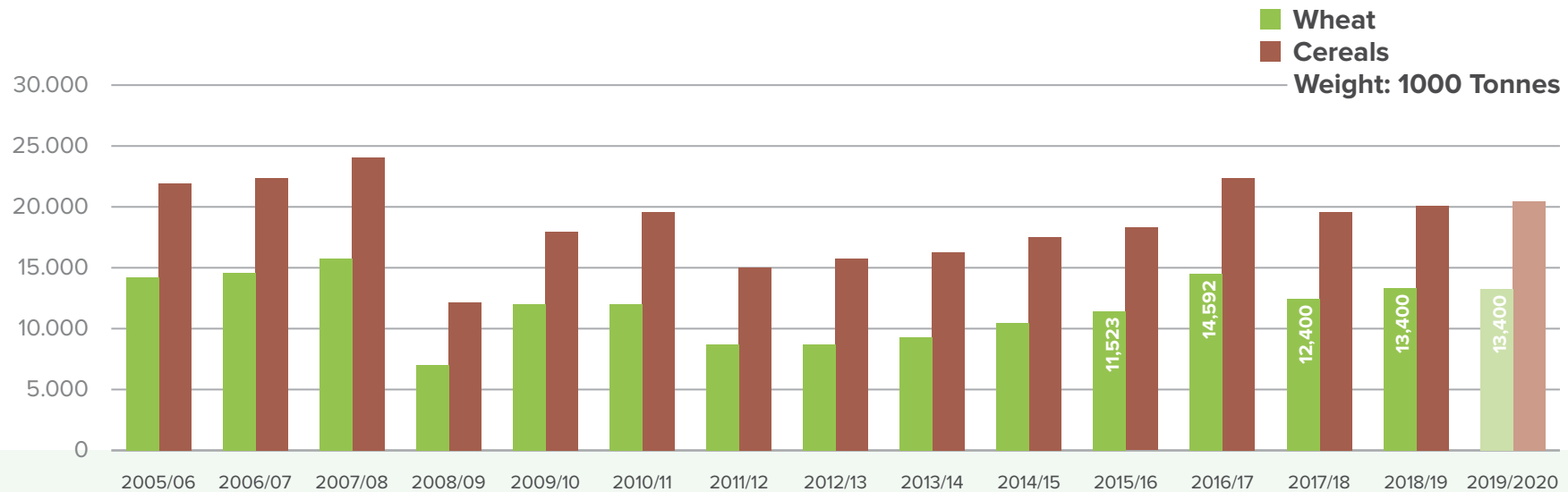
# WHEAT PLANTATION AREA IN IRAN



The wheat plantation area has decreased from 6.65 million hectares to 5.4 million hectares during the past 10 years.

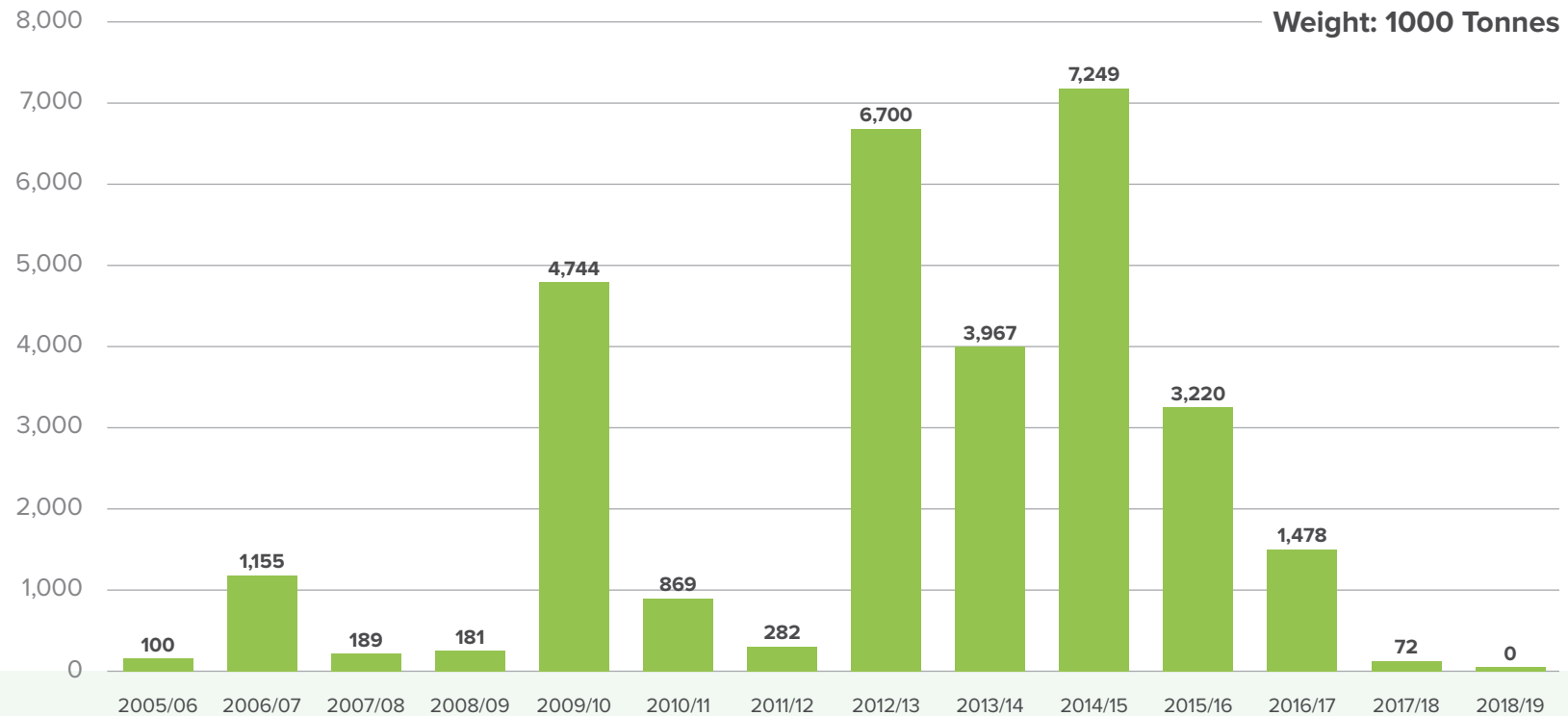
# WHEAT PRODUCTION IN IRAN

67% of the total grains production belongs to wheat.



# WHEAT IMPORTS TO IRAN

The average wheat imports has been 2.85 million tonnes during the past 10 years.







## IRAN FLOUR MARKET OPPORTUNITIES

Iraq imports more than one million ton flour, mostly from Turkey, and more than four million tonnes wheat per year.

Iran has 315 flour factories with 20 million tonnes production capacity. It consumes 12.5 million tonnes flour ,cooking and industrial, per year.

Afghanistan imports 800 thousand tonnes flour, mostly from Kazakhstan, and about 200 thousand tonnes wheat.

Iran is emerging as a large wheat flour exporter, accounting for about 4 percent of the world.

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In January 2019, a deal among the Islamic Republic of Iran, Kazakhstan and the Russian Federation was concluded on the supply of wheat via the Caspian Sea in order to increase the utilization of the Iranian wheat flour mills with excess capacity and, consequently, expand the Iranian exports of flour to third countries via the Persian Gulf.

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The Iranian private millers are not allowed to use the domestic wheat destined to supply the domestic market for flour exports. All wheat imports are meant to be re-exported, while domestic wheat is only consumed in the country.

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Iran can play as a linking bridge for exporting wheat produced by Russia and Kazakhstan to other countries.

# WHEAT MARKET 2018



Iran lies between two largest importers of flour, Iraq, Afghanistan which is an opportunity for export to these countries in addition to the domestic market.



## IRAQ

**Production: 3.07 million tonnes**

**Imports: 4.7 million tonnes**

**Consumption: 7.8 million tonnes**

**Ending Stocks: 1.25 million tonnes**

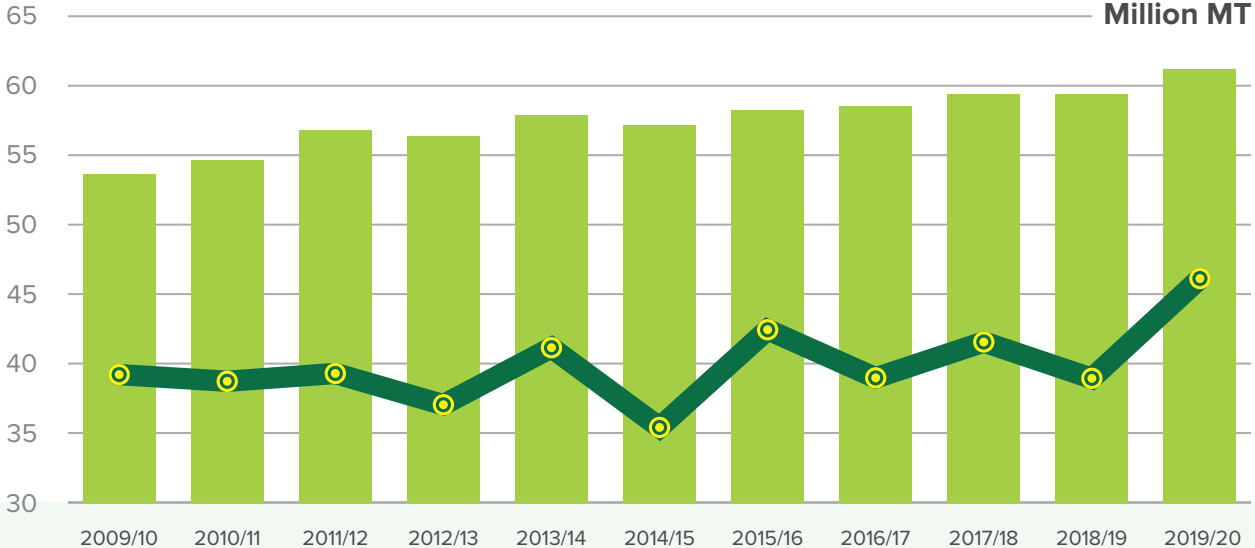


# MIDDLE EAST IMPORT DEMAND LOWERED

Production across the Middle East is projected at a record high in 2019/20.

The largest year-to-year production increases in the region were for Iran, Iraq, and Syria.

**Gap Eases Between Middle East Production and Consumption**





**BARLEY**





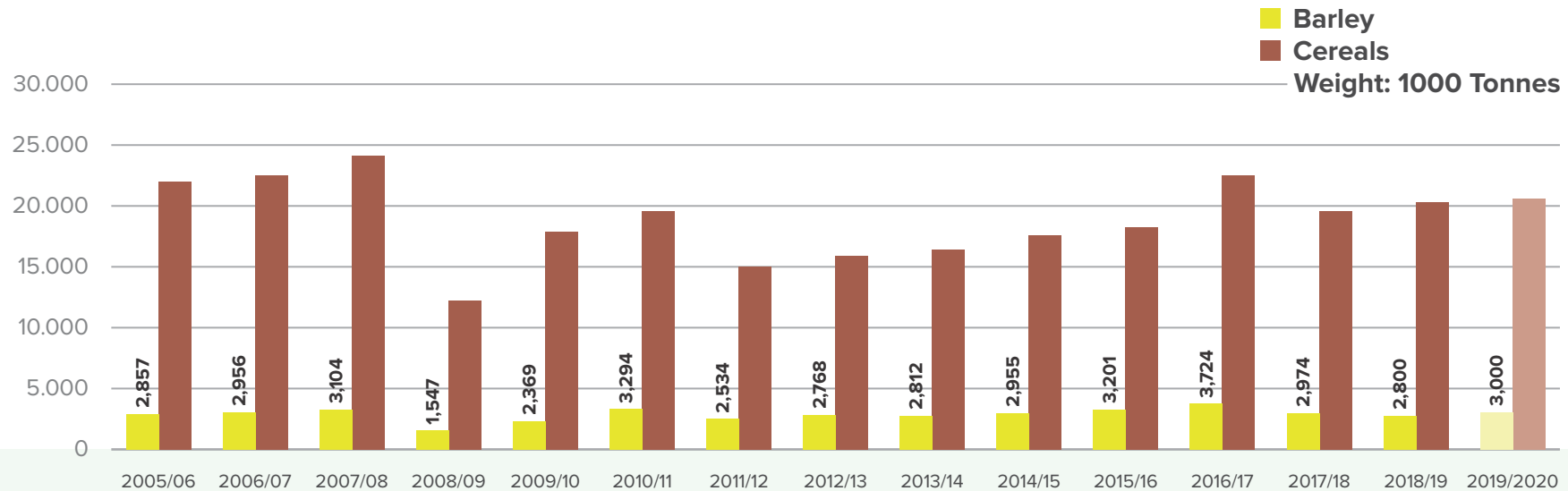
## **BARLEY FACTS IN IRAN**

- | After wheat, barley is the most planted grains in Iran with more than 1.47 million hectares area.
- | Mostly is used in livestock feed.
- | Same feed value as corn.
- | Production for malting is also important.

# BARLEY PRODUCTION IN IRAN

Barley production reached to 2.97 million tonnes in 2017/ 18 from about 1.55 million tonnes in 2008/9.

Barley accounts for 15 % of the total grains production.

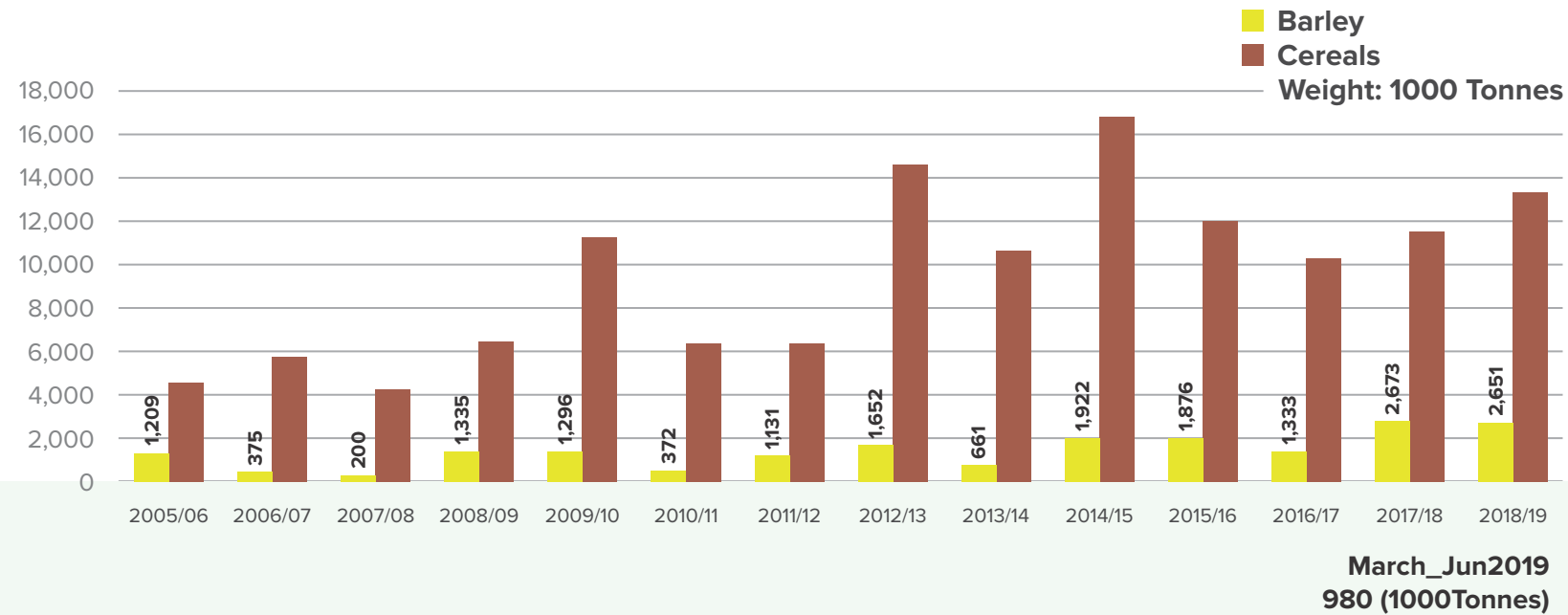




# BARLEY IMPORTS TO IRAN (in the past 10 years)

Barley is of important grains to feed livestock and partly for production of malting in Iran.

The average of imported barley during the past 10 years has been 1.28 tons.







# CORN





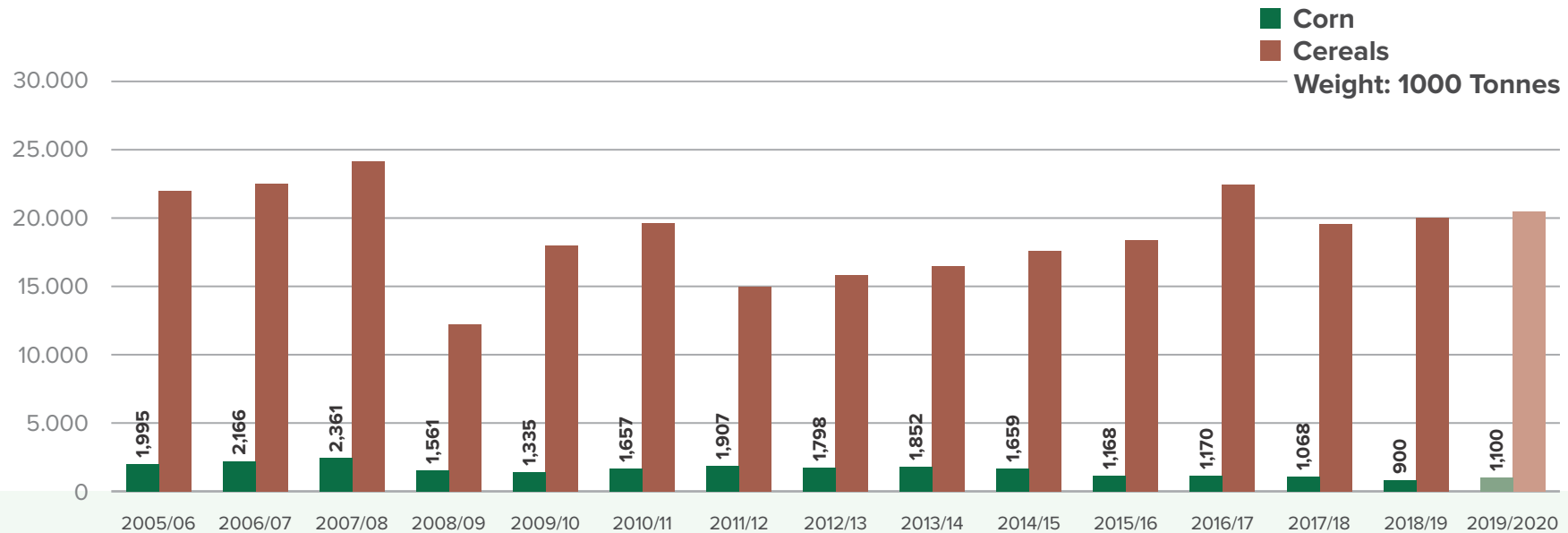
## CORN PRODUCTION IN IRAN

- | Iran produced less than one million tonnes corn in 2018 which is 16% less than 2017.
- | Iran corn production had a rather reduction direction during the past 10 years and has decreased by 33%.
- | 4% of grains production belongs to corn.

**Iran satisfies its mostly demand  
of corn by importing.**

# CORN PRODUCTION IN IRAN

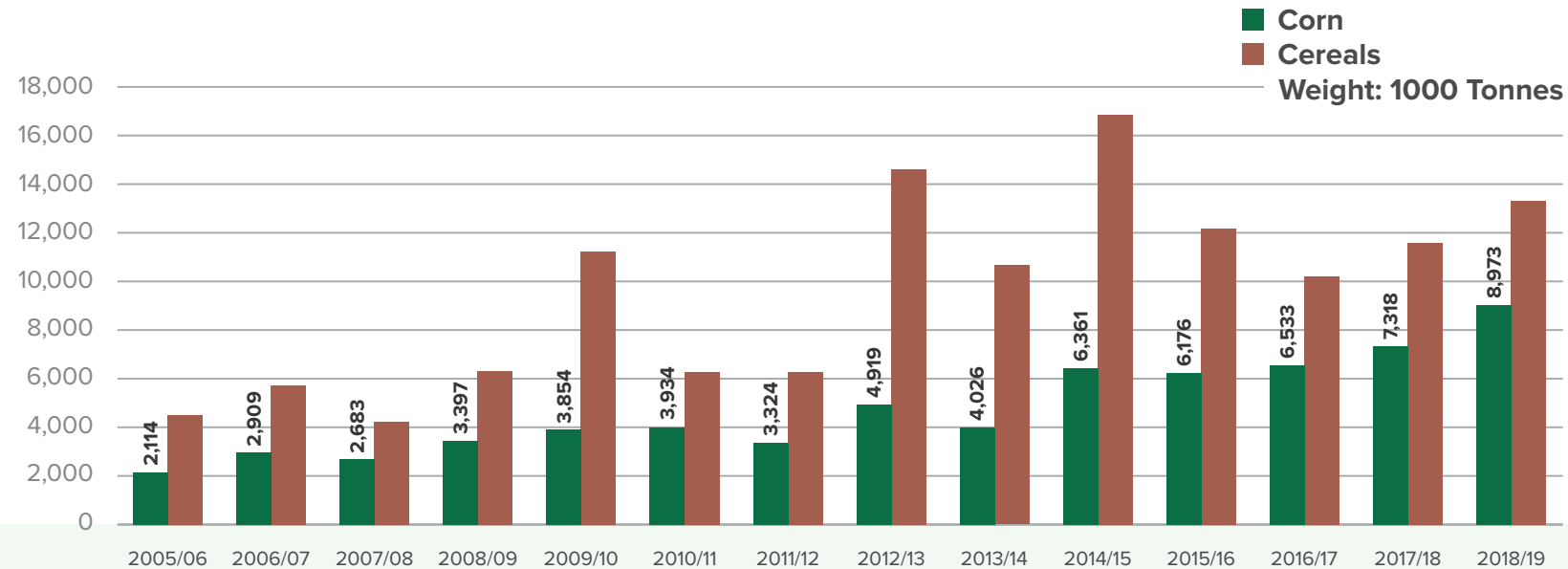
The bars indicate the rate of corn and grains production in Iran: Corn production reached to 1.06 million tonnes in 2017/18 from about 2.36 million tonnes in 2007/8.





# CORN IMPORTS IN IRAN, 2005-2018

The most amount of corn imports took place in 2018/19, amounted more than 8.97 million tonnes. Here is the diagram of corn imports between 2005 and 2018.





## OILSEEDS MARKET IN IRAN

There are 50 vegetable oil extraction units in Iran with capacity of 4.5 million tonnes production

Vegetable oil processing capacity is more than 3.5 million tonnes annually.

Iran imports more than one million ton crude vegetable oil which is equal to one third of imports of food industries value.

More than 80% of the consumed vegetable oil were imported until 2018.

95% of all the vegetable oils consumed in Iran are extracted from soybeans, sunflower seeds.

Vegetable oil consumption per capita is 18 kg.

90% of the total consumed vegetable oils are refined by 30 factories.

# OILSEEDS IMPORTS TO IRAN

Iran imported sunflower oil from Russia, Ukraine and Argentina, soybean oil from Argentina, Brazil, Russia, Ukraine and South America, and palm oil from Malaysia and Indonesia in 2018.

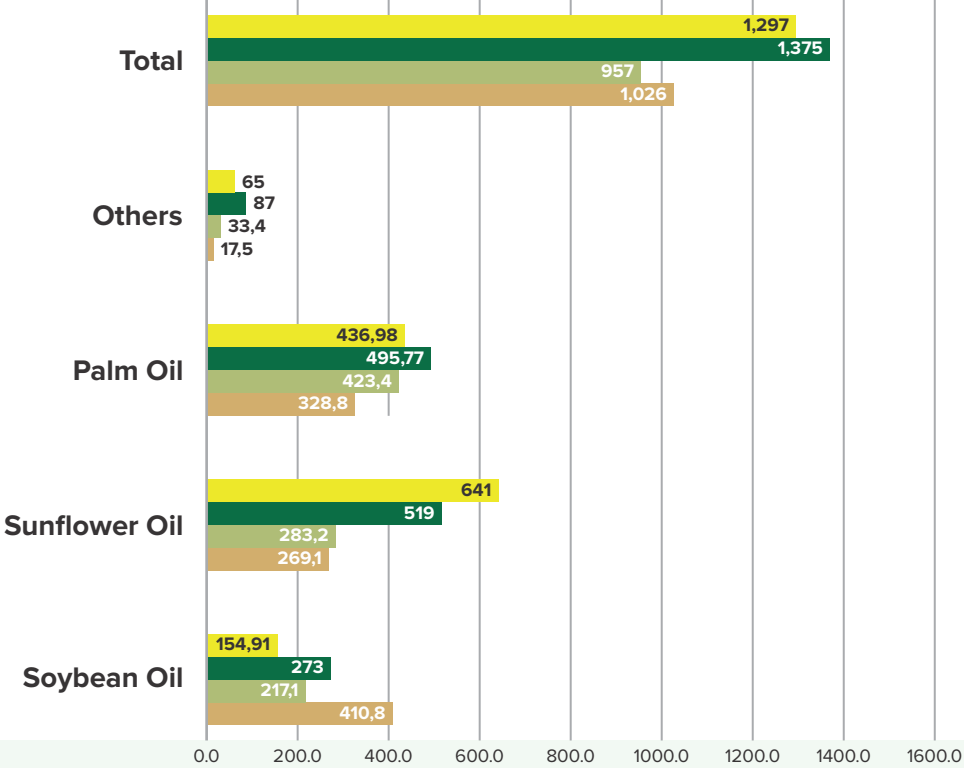
Soybean oil imports dropped 43 percent from a year ago to 154910 tonnes in the 2018/19

Palm oil imports dropped 12 percent from a year ago to 436980 tonnes in the 2018/19

Iran imported more than 641000 tonnes Sunflower oil in 2018/19, an increase of 24% .



Weight: 1000 Tonnes





# VEGETABLE OIL SEEDS IMPORTS TO IRAN (in the past 5 years)

In 2018, oilseeds imports for Iran was 1373.6 thousand US dollars. Though Iran oilseeds imports fluctuated substantially in recent years.

This table shows the imports of different kinds of vegetable oil seeds in Iran between 2014 to 2018.

	2014/15		2015/16		2016/17		2017/18		2018/19		Changes	
	Weight	Value	Weight	Value	Weight	Value	Weight	Value	Weight	Value	Weight	Value
Soybean	444.69	221.96	1,667.3	727.7	2,083.75	909.01	2,174.0	943.0	2,538.7	1,161.1	17%	23%
Canola	51.66	31.68	5.2	6.0	83.01	44.36	93.0	49.0	45.1	28.3	-52%	-42%
Others	52.6	84.79	81.1	135.8	100.28	126.01	279.0	303.0	153.4	184.2	-45%	-39%
Total	548.95	338.43	1,753.5	869.4	2,267.0	1,079.4	2,546.0	1,295.0	2,737.2	1,373.6	8%	6%

Weight: 1000 Tonnes / Value: Million Dollar



## VEGETABLE OIL EXTRACTION

Soybeans imports to Iran have the largest share among the oil seeds because along with soybean oil, soybean meal is important too as the main feed for livestock. To protect the vegetable oil extraction industry by the government the tariff is 20% for soybean oil imports and 10% for soybeans.

Soybean imports with 2.54 million tonnes are 70% of the total vegetable seeds imports. Sunflower seeds imports stand in the second row and sesame seeds are the third imported vegetable oil seeds.

With the government new policy regarding protection local extraction industry, imports tariff has increased and the importing vegetable oil seeds will be much more in the future.





**THANK YOU**

Source: Iran chamber of commerce